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SUBJECT: EGYPT'S INDEPENDENT TRADE UNION SEEKS GOVERNMENT APPROVAL

Classified By: Minister-Counselor for Economic and Political Affairs
William R. Stewart for Reason 1.4 (d).

11. Key Points:

-- (SBU) On April 22, Egypt's real estate tax collectors, government employees who in December 2008 announced the formation of an independent union, submitted an application for government recognition of their new organization to the Ministry of Manpower and Migration (MOMM). After several hours of discussions, the MOMM agreed to accept and consider the union's application.

-- (SBU) Since 1957, Egyptian labor unions have been required by law to belong to the Egyptian Trade Union Federation (ETUF). ETUF, a GoE-controlled organization, has authority to approve strikes and other labor actions by member unions, something it rarely, if ever, does. The real estate tax collectors were formerly represented by the ETUF-member General Union for Bank and Insurance Workers and formed the independent union out of dissatisfaction with ETUF's role.

-- (C) Egyptian labor-activists are hailing the formation of the independent union, the GoE's lack of objection and even willingness to negotiate with the union, and the MOMM's decision to accept the tax collectors union's application for formal status as historic developments for the Egyptian labor movement.

12. (C) Comment: Since the tax collectors announced the formation of their independent union in December 2008, there appears to have been no GoE backlash, and according to Egyptian labor activists, the Ministry of Finance, which employs the tax collectors, has even accepted the group by entering into negotiations with it. The tax collectors' application to the MOMM appears to be timed to coincide with the arrival of a delegation from the International Labor Organization (ILO), an organization that has criticized the ETUF structure as an impediment to the GoE fulfillment of its obligations under international labor conventions. Regardless of the outcome of the application for recognition, the formation of an independent union, especially when viewed in the context of almost daily unapproved strikes - focused on economic rights, appears to signal some progress towards reform, at least in the area of workers' rights. End comment.

INDEPENDENT UNION FORMED

13. (SBU) On December 20, 2008, Egypt's real estate tax collectors announced the formation of an independent union to act as the representative of the nearly 52,000 government employees. The tax collectors union emerged from a "tax collectors committee" which successfully organized a series of successful, unapproved strikes in 2007 and 2008.

¶4. (C) Since its formation in December 2008, the independent tax collectors union has functioned as a union. According to Kamal Abbas, Director of the Center for Trade Union and Worker Solidarity, a workers' rights advocacy organization, the Ministry of Finance, which employs the tax collectors, has engaged in salary negotiations with the independent union since its formation. Other GoE agencies, including the MOMM, which is charged with regulating unions, have been generally silent. On April 22, several hundred tax collectors union members presented the union's application for registration to the MOMM. After several hours of negotiations, the MOMM agreed to accept the application, without committing to recognizing the group.

¶5. (C) Labor activist Kamal Abbas told us that the formation of the tax collectors syndicate is an important step towards the realization of the two "dreams" of the Egyptian labor movement: the right to form independent unions and the right to strike, something he said has been achieved, if not legally, on a de facto basis as evidenced by the almost daily strikes occurring throughout Egypt. Adel Williams, a labor activist with the Land Center for Human Rights, told us he agreed that the formation of an independent union and the MOMM's acceptance of its registration application were positive developments. He cautioned, however, that Egypt's trade union law would need to be modified to create space for independent unions to legally function.

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